

FINAL BILL REPORT

ESHB 1242

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Synopsis as Enacted

Brief Description: Focusing the state budgeting process on outcomes and priorities.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Linville, Jarrett, Miloscia, Tom, Haigh, Sommers, Pettigrew, Pearson, Clibborn, Kristiansen, O'Brien, Orcutt, Quall, Morris, Lantz, Wallace, Kagi, Grant, Morrell, Chase, Springer, Lovick, Kessler, Dunshee, Appleton, P. Sullivan, Kilmer, Hunter, Upthegrove, Williams, Roberts, Dickerson, Sells, Eickmeyer, Nixon, Kenney and Ormsby).

House Committee on Appropriations
Senate Committee on Ways & Means

Background:

The Budget and Accounting Act establishes the framework for the development, implementation and monitoring of the state budget.

Agency Objectives

For the purpose of assessing program performance, each state agency is required to establish program objectives for each major program in its budget. The objectives must be expressed to the extent practicable in outcome-based, objective, and measurable form.

Performance Monitoring

Each state agency is also required to adopt procedures for continuous self-assessment of each program and activity, using the mission, goals, objectives, and measurements of the agency.

Agency Budget Requests

Budget proposals made by agencies must be directly linked to the agency's stated mission, program goals and objectives. Consistent with this policy, agency budget proposals must include integration of performance measures that allow objective determination of a program's success in achieving its goals.

Governor's Budget Proposal

The Budget and Accounting Act establishes various requirements for the budget documents that the Governor must submit to the Legislature before each regular session. The required documents include the Governor's budget message, which explains the budget and outlines proposed fiscal policies for the period covered by the budget; the budget bill; and other supporting information. The requirement to submit a level of budget detail referred to as activity level has been suspended in recent biennia.

Summary:

Findings and Intent

The Legislature finds that agency missions, goals, and objectives should focus on statewide results. The intent of the Legislature is to refocus the state budgeting process on how state agencies produce real results that reflect the goals of statutory programs.

Agency Objectives

Objectives must specifically address the statutory purpose or intent of the activity and focus on data that measure whether the agency is achieving or making progress toward the purpose of the activity and toward statewide priorities.

Agencies are required to develop quality and productivity measures for all major activities instead of the program measures currently required.

Performance Monitoring

As part of evaluating an activity, agencies must also evaluate major information technology systems or projects that may assist the agency in achieving or making progress toward the activity purpose and statewide priorities.

The Office of Financial Management (OFM) must regularly conduct reviews of selected activities to analyze whether the objectives and measurements submitted by agencies demonstrate progress toward statewide results. The OFM must consult with the Higher Education Coordinating Board and the State Board for Community and Technical Colleges in those reviews that involve institutions of higher education. The OFM must consult with the Information Services Board when conducting reviews of major information technology systems.

The goal is for all programs to be reviewed at least once each year.

Agency Budget Requests

When a periodic performance review or other analysis determines that the agency's objectives demonstrate that the agency is making insufficient progress toward the goals of any particular program or is otherwise underachieving or inefficient, the agency's budget request must contain proposals to remedy or improve the program.

In reviewing agency budget requests to prepare the Governor's budget request, the OFM will consider the extent to which the agency's activities demonstrate progress toward the statewide priorities along with the results from any periodic performance review of agency activities.

Governor's Budget Proposal

The Governor must communicate statewide priorities to agencies for use in developing budget recommendations for their agency. The Governor must seek public involvement and input on these priorities.

The Governor's operating budget document or documents must reflect statewide priorities. The budget document must also describe performance indicators that demonstrate measurable improvement towards priority policy functions as well as identify any activities that are not addressing statewide priorities.

The Governor's budget document must include a listing of expenditures made outside the State Treasury rather than listing those activities that are funded from non-appropriated, non-budgeted sources. The requirement, suspended in recent years, to submit certain detail is permanently eliminated.

Votes on Final Passage:

House	95	2
Senate	43	0

Effective: July 24, 2005